



Washington, D.C. 20505

4 February 1986

The Honorable George P. Shultz
The Secretary of State
Washington, D.C. 20520

Dear Mr. Secretary:

Based on our discussion at the seminar on January 24th and your comments at the end of the seminar on Afghanistan, I am concerned that we may be talking past one another on Gorbachev and what the Soviets are doing. I have the impression you believe we at CIA are too rigidly fixed on the notion of no change in the Soviet approach to the US or their domestic problems and, therefore, that we are missing the importance of current developments and also misreading the shape of things to come in the Soviet Union. (C)

We certainly agree with you on Gorbachev's toughness and especially his extraordinary tactical flexibility, creativity and boldness. But everything we have seen since Gorbachev took over leads us to believe that on fundamental objectives and key policies he so far remains generally as inflexible as his predecessors. For example:

- In the Far East, Gorbachev has taken none of the basic steps with China that would allow that relationship to progress significantly. In Japan, Shevardnadze's smile compared to Gromyko's brush-off could not mask the lack of change on basic issues, including the Northern Territories.
- As you accurately pointed out on Saturday, there has been no change in the Soviet position on regional issues or their commitment to their clients.
- Domestically, all of Gorbachev's moves to modernize the economy have been within the framework set by his predecessors -- he has tried to discipline the work force and has altered some priorities (though, as Doug MacEachin briefed you on Monday, military spending seems to have been pretty well protected).

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-- Finally, with the US, we believe we are observing an attempt to recreate the detente atmosphere of the early 1970s on the same premises. And, as Paul Nitze indicated, while tactically a clever stroke, the new comprehensive arms proposal really did not change any basic Soviet position on SDI or START or provide a realistic approach to INF. (C)

Gorbachev certainly is determined to address his domestic problems, but so far he seems very orthodox on the basics at home and abroad. At the same time, his cleverness and boldness will lead to a number of initiatives, like the arms control proposal, that we will need to deal with adroitly on our own side. Some of these proposals, like that related to INF, may offer us interesting opportunities. (C)

One of our highest priorities is to identify at the earliest possible time indications of real change in key Soviet domestic, foreign and military policies and goals. While we do not see such indications now, we will continue to work this problem open-mindedly. (C)

Sincerely,



Robert M. Gates
Deputy Director for Intelligence